

Transportation Corporation of America

P. O. BOX 218 • CHICAGO HEIGHTS, ILLINOIS 60411
AREA CODE 312 • 757-5900

Date October 6, 1981

1-286A033

Interstate Commerce Commission
Recordation Clerk
Room 1211
12th & Constitution Ave., N.W.
Washington, D.C. 20423

13273
RECORDATION NO. _____ Filed 1425
No. 1-286A033
Date OCT 13 1981
Fee \$ 50.00
INTERSTATE COMMERCE COMMISSION
Washington, D. C.

Gentlemen:

Enclosed for recordation under the provision of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, are Five (5) copies of the following:

Lease Agreement No. 072881 dated July 28, 1981
Rider No. N/A dated N/A
between TRANSPORTATION CORPORATION OF AMERICA and
ST. REGIS PAPER COMPANY
Recordation No. N/A
No. of Cars Nineteen (19)
Description of Cars 100 - Ton Bulkhead Flat Cars with Side Stakes
Car Numbers TCAX 50014 thru TCAX 50032, both inclusive

The names and address of the parties hereto are as follows:

Lessor:

Transportation Corporation of America
P. O. Box 218
Chicago Heights, IL 60411

Lessee:

St. Regis Paper Company
West Nyack Road
West Nyack, N.Y. 10994

The undersigned is the Assistant Treasurer of Transportation Corporation of America and has knowledge of the matters set forth within the enclosed documents. Kindly record and thereafter return to T. A. Layton, Transportation Corporation of America, P. O. Box 218, Chicago Heights, Illinois 60411, the remaining Four(4) copies of the enclosed document, marked "Recorded."

Attached hereto is a remittance in the sum of \$ 50.00 covering the required Recording Fee.

Cordially,

TRANSPORTATION CORPORATION OF AMERICA



T. A. Layton
Assistant Treasurer

TAL:bam

Enclosures

A wholly owned subsidiary of The Duchossois/Thrall Group

RECORDED
OCT 13 10 02 AM '81
FBI - CHICAGO

Interstate Commerce Commission
Washington, D.C. 20423

10/13/81

OFFICE OF THE SECRETARY

T.A. Layton
Assist. Treasurer
Transp. Corp. Of America
P.O.Box 218
Chicago Heights, Ill. 60411

Dear **Sir:**

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **10/13/81** at **10:15am**, and assigned re-recording number(s).

13273

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

LEASE
No. 072881

10/13/1981 - 10 15 AM

INTERSTATE COMMERCE COMMISSION

THIS AGREEMENT made and entered into this 28th day of July, 1981, between TRANSPORTATION CORPORATION OF AMERICA, an Illinois corporation, (herein called LESSOR), and ST. REGIS PAPER COMPANY, a New York Corporation, (herein called LESSEE).

RECITALS: LESSEE desires to lease from LESSOR certain railroad cars, hereinafter specifically designated, all upon the rentals and terms and conditions set forth in this Lease.

AGREEMENT: It is Agreed:

1. LEASE OF CARS. LESSOR agrees to lease to LESSEE and LESSEE agrees to and does hereby lease from LESSOR that number of railroad cars, of the type, construction and such other description (hereinafter referred to as the "Cars") as is set forth in Exhibit "A" attached hereto and by this reference made a part hereof. The Cars covered by this Lease are those which shall be delivered to and accepted by LESSEE pursuant to Paragraphs 2 and 3 hereof. The Lease shall become effective as to any Car immediately upon its acceptance pursuant to Paragraph 3 hereof.

2. DELIVERY OF CARS. LESSOR shall deliver the Cars as promptly as is reasonably possible from time to time in groups of no less than three (3). LESSOR shall not be responsible for failure to deliver or delay in delivering Cars due to casualties and contingencies beyond its direct control, such as, but not limited to, labor difficulties, fire delays and defaults of carriers and car and material suppliers.

From and after acceptance of a Car, LESSEE shall be liable for, and shall pay or reimburse LESSOR for the payment of, all costs, charges and expenses of any kind whatsoever on account of or relating to switching, demurrage, detention, storage, transportation or movement of a Car, including specifically, but not exclusively, freight and switching charges for movement to and from LESSOR'S plant at any time and for any reason.

3. CONDITION OF CARS - ACCEPTANCE. All Cars delivered hereunder shall be in satisfactory condition for movement in the normal interchange of rail traffic and shall otherwise comply with the description and or specifications contained in Exhibit "A"; but LESSEE shall be solely responsible for determining that Cars are in proper condition for loading and shipment. Within six (6) days after LESSOR shall give LESSEE notice that some or all Cars are ready for delivery, LESSEE may have its authorized representative inspect such Cars at LESSOR'S plant and accept or reject them as to condition. Cars so inspected and accepted and any Cars which LESSEE does not elect to inspect shall upon delivery thereof to LESSEE as above provided, be conclusively deemed to meet all requirements of this Lease.

4. USE AND POSSESSION. Throughout the continuance of this Lease, so long as LESSEE is not in default hereunder, LESSEE shall be entitled to possession of each Car from the date the Lease becomes effective as to each Car and shall use such Car exclusively in its own service for the transportation of Wood Logs (a) on its own property or lines; or (b) upon the lines of any railroad or other person, firm or corporation in the usual interchange of traffic, provided that all use shall conform to the then current Code of Rules adopted by the Association of American Railroads (hereinafter called the "AAR Rules") and to the terms and conditions of this Lease, and provided further, that at all times the Cars shall be used only in the Continental limits of the United States of America or in Canada and in a careful and prudent manner solely for the purposes and in the manner for which they were designed.

5. TERM - AVERAGE DATE. This Lease shall be for a term (hereinafter referred to as the "original term") which shall commence on the date of delivery by LESSOR of the first Car, as provided in Paragraph 2 hereof, and shall terminate fifteen (15) years from the Average Date of Delivery unless sooner terminated in accordance with the provisions of this Lease, or unless extended as set forth in Exhibit "A". The Average Date of Delivery shall be determined after delivery of the Cars as follows,

(a) multiply the number of Cars delivered by LESSOR on each day by the number of days elapsed between such day and the date of delivery of the first Car hereunder, then add all of the products so obtained and divide by the total number of Cars so delivered; the quotient rounded out to the nearest whole number shall be added to the date of delivery of the first Car, and the resulting date shall constitute the Average Date of Delivery;

(b) the date on which delivery of a Car shall be deemed to have been made will be the day following delivery of the Car to the LESSEE, as specified in Paragraph 2. A Car shall be conclusively deemed delivered to the LESSEE on the earliest date shown on either of the following: (i) a delivery receipt or other writing acknowledging delivery of a Car signed by the LESSEE; or (ii) a bill of lading showing delivery to LESSEE or to a railroad for the account of LESSEE.

6. RENTAL. LESSEE shall pay to LESSOR as rental for each Car during the original term, from and including the date of delivery of such Car, the sum of Four Hundred Ninety-Three Dollars (\$493.00) per car per month for 180 months from date of delivery.

If, pursuant to Exhibit "A" hereof, the Cars bear LESSOR'S reporting marks and numbers, then any mileage payments allowed by railroads on the Cars shall be the property of LESSOR, but LESSOR shall credit the mileage payments actually received by it (less any taxes due or to become due from LESSOR on account thereof, other than

income taxes) to a mileage payment account maintained by LESSOR in respect to this Lease. Payments recorded in such account shall be offset pro tanto against and only against rental then or thereafter due from LESSEE under this Lease; provided, however, that the total of the credits to LESSEE on account of mileage payments shall not exceed the total rental paid by LESSEE during the term hereof and any unused credits shall be cancelled at the end of the term hereof or at the termination of this Lease as to all Cars, whichever shall first occur. LESSEE shall so use the Cars that their mileage under load shall be equal to their mileage empty upon each railroad not having a published exemption therefor in its tariff over which the Cars shall move, including movement to place of delivery to LESSEE hereunder and movement to LESSOR upon termination or expiration of this Lease. Upon notice from any railroad, whether received prior to or after termination of this Lease, LESSEE shall pay LESSOR as additional rental for all excess empty mileage (at the rate established by the tariff of such railroad) incurred on Cars covered by this Lease.

7. PAYMENT. LESSEE shall make payment of all sums due hereunder to TRANSPORTATION CORPORATION OF AMERICA, P. O. Box 218, Chicago Heights, Illinois 60411, or such other place as LESSOR may direct. Rental payments shall be made on or before the 15th day of each month succeeding the month for which such rental has accrued.

8. TITLE. LESSOR has or will have title to the Cars at the time they are delivered hereunder to LESSEE and LESSEE shall not by reason of this Lease or any action taken hereunder acquire or have any right or title in the Cars except the rights herein expressly granted to it as LESSEE.

9. REPAIRS. (a) LESSEE. LESSEE shall make or cause to be made at its sole cost and expense all repairs and maintenance to Cars and replacement of parts for Cars which repair, maintenance, or replacement is required by reason of damage or other condition caused (i) by negligence of LESSEE or anyone other than a handling railroad or (ii) by loading or unloading of any commodity other than of the kind or in the manner permitted herein.

(b) LESSEE shall be responsible for maintaining and repairing the Cars furnished hereunder in accordance with the requirements of: (i) the AAR Rules, (ii) the Regulations of the Interstate Commerce Commission, and (iii) the applicable rules and regulations of Federal and State authorities having jurisdiction over the Cars.

10. TAXES. LESSOR shall pay all property taxes assessed or levied against the Cars. LESSEE shall pay all taxes assessed or levied upon its interest as LESSEE of Cars and all sales or use taxes. LESSEE shall reimburse LESSOR for payment of any taxes levied or assessed upon LESSOR for which LESSEE is liable hereunder.

11. LIENS. LESSEE shall keep the Cars free from any encumbrances or liens, which may be a cloud upon or otherwise affect LESSOR'S title, which arise out of any suit involving LESSEE, or any act, omission or failure of LESSEE or LESSEE'S failure to comply with the provisions of this Lease, and shall promptly discharge any such lien, encumbrance or legal process.

12. INDEMNITIES - PATENT COVENANTS. Except where liability under AAR Rules is imposed on a handling railroad or other party who has agreed to be bound by such Rules, LESSEE agrees to indemnify LESSOR and save it harmless from any charge, loss, claim, suit, expense or liability which LESSOR may suffer or incur and which arises in connection with the use or operation of a Car or Cars while subject to this Lease (but not while in LESSOR'S shop or possession) and without regard as to how such charge, loss, claim, suit, expense or liability arises, including without limiting the generality of the foregoing, whether the same arises from latent or other defects which may or may not have been discoverable by LESSOR or whether the same arises from any loss or damage from or to commodities loaded or shipped in the Cars. LESSOR agrees to indemnify LESSEE and save it harmless against any charge, loss, claim, suit, expense or liability arising out of or on account of the use or incorporation by LESSOR upon delivery of a Car or upon the making of repairs thereto by LESSOR, of any invention or the infringement of any patents, except if such invention was used or incorporated by reason of LESSEE'S specifications. The indemnities and assumptions of liability herein contained shall survive the termination of this Lease. Each party shall, upon learning of same, give the other prompt notice of any claim or liability hereby indemnified against.

13. USE - LETTERING. Except for renewal and maintenance of lettering which exists when a Car is delivered to LESSEE and for additional lettering indicating the rights of any assignee of LESSOR or that the Car is leased to the LESSEE, or to a sublessee in accordance with demurrage tariffs, no lettering or marking shall be placed upon any of the Cars by LESSEE except upon the written direction or consent of LESSOR.

14. LOSS, THEFT, OR DESTRUCTION OF CARS. In the event any Car is lost or stolen or is destroyed or damaged beyond economical repair, LESSEE shall promptly and fully inform LESSOR of such occurrence. Except when such occurrence takes place under circumstances which entitle LESSOR to payment for such Car from a handling railroad or other party under and pursuant to AAR Rules. LESSEE shall upon demand by LESSOR promptly make payment to LESSOR in the same amount as would be payable to LESSOR under such Rules if a handling railroad was liable for payment thereunder. LESSEE shall cooperate with LESSOR and take any and all action

required to assist and enable LESSOR to receive such payment directly from any handling line or other person, firm or corporation bound to make payment under AAR Rules. This Lease shall terminate with respect to any Car which is lost, stolen or destroyed or damaged beyond repair on the date LESSOR shall receive notice of such event provided that LESSOR shall within forty-five (45) days thereafter receive from LESSEE payment of all sums, if any, due from LESSEE on account of such Car for rent, under this Paragraph 16, or otherwise and LESSEE shall have no further liability to LESSOR hereunder, except such as arises or exists under Paragraphs 6, 10, 11, and 12.*

15. RETURN OF CARS. Upon the expiration or upon the termination of this Lease with respect to any Car (other than pursuant to Paragraph 16 hereof) LESSEE shall at its sole cost and expense, forthwith surrender possession of such Car to LESSOR free of residue and in good condition, ordinary wear and tear excepted, by delivering same to LESSOR at its plant at Chicago Heights, Illinois. Until the delivery of possession to LESSOR pursuant to this Paragraph 15, LESSEE shall continue to pay rental at the rate being paid immediately prior to termination or expiration, and LESSEE shall, in addition, make all other payments and keep all obligations and undertakings required of LESSEE under any and all provisions of this Lease as though such termination or expiration had not occurred.

16. DEFAULT. If LESSEE shall fail to make any payment required hereunder within twenty (20) days after same shall have become due or shall default or fail for a period of twenty (20) days in the due observance or performance of any covenant, condition or agreement required to be observed or performed on its part hereunder, or a proceeding shall have been commenced by or against LESSEE under any bankruptcy laws, Federal or State, or other laws for the appointment of a receiver, assignee or trustee of LESSEE or its property, or LESSEE shall make a general assignment for the benefit of creditors, then and in any of said events LESSOR may (in addition to all rights and remedies provided by law for repossession and recovery of damages) at its election terminate this Lease by written notice to such effect, and retake the Cars and thereafter recover any and all damages sustained by reason of LESSEE'S default in addition to all rental unpaid as of said date, or may without terminating the Lease repossess the Cars and relet same, and if, after paying all expenses or retaking and reletting the Cars, the amount so realized will not satisfy the rentals reserved in this Lease, LESSEE agrees that it will pay any such deficiency from time to time upon demand from LESSOR. The obligation to pay such deficiency or any sum or sums due and unpaid or any damages suffered by reason of LESSEE'S default hereunder shall survive the termination of the Lease and the retaking of the Cars. The remedies provided herein are not exclusive but shall be cumulative.

* In the event any Car is destroyed or damaged beyond economic repair on the lines of a handling railroad LESSOR agrees that it will promptly upon receipt of notice of such event advise LESSEE of the occurrence of the event and of the proposed disposition of the damaged or destroyed Car. LESSOR further agrees to consult with and give reasonable and due consideration to LESSEE's suggestions with respect to the disposition of such Car in order to facilitate reduction of LESSEE's liability under this Paragraph 14 provided LESSOR shall not thereby incur or suffer any additional cost, loss or expense.

17. SUBLEASE AND ASSIGNMENT. The right to assign this Lease by either party and the LESSEE'S right to sublease shall exist only as follows:

(a) LESSEE shall have no right to assign or sublease or loan any of the Cars without the written consent of LESSOR; provided, however, that LESSEE shall have the right to sublease any of the Cars for single trips within the continental limits of the United States to its customers or suppliers where the sole purpose of such sublease is to obtain exemption from demurrage on the subleased Cars. Any such sublease shall be upon terms which are in compliance with the provisions of all applicable AAR requirements, tariffs, regulations and laws and all terms and conditions of this Lease;

(b) all rights of LESSOR hereunder may be assigned, pledged, mortgaged, transferred or otherwise disposed of either in whole or in part with or without notice to LESSEE. This Lease and LESSEE'S rights hereunder are and shall be subject and subordinate to any chattel mortgage, security agreement or equipment trust covering the cars heretofore or hereafter created by LESSOR. If LESSOR shall have given written notice to LESSEE stating the identity and post office address of any assignee entitled to receive future rentals and any other sums payable by LESSEE HEREUNDER, LESSEE shall thereafter make such payments to the designated assignee.

The making of an assignment or sublease by LESSEE or an assignment by LESSOR shall not serve to relieve such party of any liability or undertaking hereunder, nor to impose any liability or undertaking hereunder upon any such assignee or sublessee except as otherwise provided herein or unless expressly assumed in writing by such sublessee or assignee.

18. PURCHASE OPTION. The LESSEE shall have the right to purchase all, but not less than all, of the cars at the expiration of the initial rental term or at the Expiration of each of two (2) optional rental renewal terms, at the then fair market value as defined, determined as follows:

Not more than nine (9) months prior to the termination date of Lease, LESSEE may cause the Appraiser (as hereinafter defined) to make, at the expense of the LESSEE, an appraisal of the fair market value of the Cars which LESSEE wishes to purchase, as hereinafter provided, and the report of the Appraiser setting forth its determination of such fair market value shall be delivered to the LESSOR and the LESSEE not later than six (6) months prior to the termination date of this Lease.

Such fair market value as so determined in respect of any Car is hereinafter called the "Market Value" of such Car.

If LESSEE shall cause such appraisal to be made, the LESSEE, by written notice delivered to the LESSOR not later than four (4) months (120 days) prior to the termination date of this Lease, unless an Event of Default shall have occurred, may elect to purchase all, but not fewer than all, of the Cars, the Market Value of which shall have been determined as herein provided, for an aggregate purchase price in cash equal to the Market Value of such Cars, the applicable portion of which is to be payable for each Car on the date on which the term of this Lease for each such Car expires. Upon payment of any such portion of such purchase price, the LESSOR shall upon the request of the LESSEE execute and deliver to LESSEE, or to the LESSEE'S assignee or nominee, a bill of sale (with representations or warranties that such Cars are free and clear of all claims, liens, security interests and other encumbrances by or in favor of any person claiming by, through or under the LESSOR) for such Cars paid for and such other documents as may be required to release such Cars from the terms and scope of this Lease and to transfer title thereto to the LESSEE or such assignee or nominee, in such form as may reasonably be requested by the LESSEE, all at the LESSEE'S expense.

The term "Appraiser" shall mean such independent appraiser as the LESSOR and the LESSEE may mutually agree upon, or, failing such agreement, a panel of three independent appraisers, one of whom shall be selected by the LESSOR, the second by the LESSEE, and the third designated by the first two selected. In the event that the two appraisers selected by the parties are for any reason unable to designate the third appraiser, then either party may request the senior Judge of the United States District Court for the Northern District of Illinois to appoint such third appraiser, and the fair market value as determined by the majority of such three appraisers shall constitute a determination of Market Value as herein provided. The LESSOR shall be under no obligation to deliver said Cars to any Assignee and this shall be the sole obligation of the LESSEE. Each Party shall bear the cost of the "Appraiser" appointed by them and the cost of the third appraiser shall be borne equally.

19. OPINION OF COUNSEL. Upon the request of LESSOR or its assignee at any time or times LESSEE will deliver to LESSOR an Opinion of Counsel for LESSEE, addressed to LESSOR or its assignee in form and substance satisfactory to counsel for LESSOR or its assignee, which opinion shall be to the effect that:

(a) LESSEE is a corporation duly organized and validly existing in good standing under the laws of the state of its incorporation, and has corporate power to enter into this Lease and carry out its obligations thereunder;

(b) this Lease constitutes the legal, valid and binding obligation of LESSEE, enforceable in accordance with its terms and doesn't violate any law, charter, by-law provision or agreement affecting the LESSEE or any of its properties;

(c) the Cars which are then subject to the Lease are held by LESSEE under and subject to the provisions of this Lease prior to any lien, charge or encumbrance in favor of anyone claiming by, through or under LESSEE, and all of the Cars were, upon delivery to LESSEE, in condition satisfactory to LESSEE and were accepted by LESSEE in accordance with the terms of this Lease;

(d) to the knowledge of LESSEE no recording, filing or depositing of this Lease, other than with the Interstate Commerce Commission, in accordance with the Interstate Commerce Act, is necessary to preserve or protect the title of LESSOR or its assignee in the United States of America; and

(e) to the knowledge of LESSEE, no governmental authorization or approval on the part of LESSEE is necessary in connection with the Lease or any other action contemplated hereunder.

20. NOTICE. Any notice required or permitted to be given pursuant to the terms of the Lease shall be properly given when forwarded registered United States mail, return receipt requested, postage prepaid, addressed to:

LESSOR at: P. O. Box 218
Chicago Heights, Illinois 60411

or at such address as LESSOR may from time to time designate in writing, and to:

LESSEE at: 150 East 42nd Street
New York, New York, 10017

or any such other place as LESSEE may from time to time designate by notice in writing.

21. GOVERNING LAW - WRITING. The terms of this Lease and all rights and obligations hereunder shall be governed by the laws of the State of Illinois. The terms of this Lease and the rights and obligations of the parties hereto may not be changed or terminated orally, but only by agreement in writing signed by the party against whom enforcement of such change or termination is sought.

22. COUNTERPARTS. This Lease may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same contract, which shall be evidenced by any such signed counterpart.

23. SEVERABILITY - WAIVER. If any term or provision of this Lease or the application thereof to any persons or circumstances shall to any extent be invalid or unenforceable, the remainder of this Lease or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby, and each provision of this Lease shall be valid and be enforced to the fullest extent permitted by law. Failure of LESSOR to exercise any rights hereunder shall not constitute a waiver of any such right upon the continuation or recurrence of the situation or contingency giving rise to such right.

21. TERMINOLOGY. In construing any language contained in this Lease, no reference shall be made and no significance given to paragraph titles, such titles being used only for convenience of reference. Where the context so permits, the singular shall include the plural and vice versa.

25. BENEFIT. Except as otherwise provided herein the covenants, conditions and agreement contained in this Lease shall bind and inure to the benefit of the parties and their successors and assigns (to the extent permitted in Paragraph 17, hereof). Without limiting the generality of the foregoing, the indemnities of the LESSEE contained in Paragraph 12 hereof shall apply to and inure to the benefit of any assignee of LESSOR and if such assignee is a trustee under an indenture under which notes of LESSOR have been issued in connection with the financing of the Cars, then to any holder of such notes.

IN WITNESS WHEREOF, LESSOR AND LESSEE have duly executed this Lease as of the day and year first above written.

TRANSPORTATION CORPORATION OF AMERICA
(LESSOR)

An Illinois corporation

(Corporate Seal)
ATTEST:


Assistant Secretary

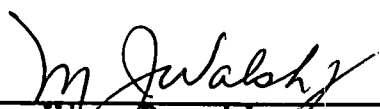
By 
Vice President

ST. REGIS PAPER COMPANY
(LESSEE)

A New York corporation

(Corporate Seal)
ATTEST:


Assistant Secretary

By 
Vice President

STATE OF ILLINOIS)
COUNTY OF COOK) SS.

On this 6th day of October 1981, before me personally appeared C. H. Wright, to me personally known who being by me duly sworn, says that he is a ~~Vice~~ President of TRANSPORTATION CORPORATION OF AMERICA, an Illinois corporation, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Dorothy G. Hoke
Notary Public

(SEAL)

My Commission Expires: 1-11-85

STATE OF New York)
COUNTY OF Rockland) SS.

On this 24 day of September, 1981, before me personally appeared M. J. Walsh, Jr., to me personally known who being by me duly sworn, says that he is Vice President of St. Regis Paper Company, an New York corporation, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Dorothy G. Hoke
Notary Public

(SEAL)

My Commission Expires: 3/30/82

DOROTHEA G. HOKE
NOTARY PUBLIC, STATE OF NEW YORK
#44-9724210
ROCKLAND COUNTY
TERM EXPIRES MARCH 30, 1982

TRANSPORTATION CORPORATION OF AMERICA - LESSOR
ST. REGIS PAPER COMPANY - LESSEE
EXHIBIT "A"

LEASE AGREEMENT NO. 072881 SAID LEASE AGREEMENT BEING DATED July 28, 1981

CAR NUMBERS: TCAX 50014 thru TCAX 50032, both inclusive

CAR OWNER'S MARKS: Title to this car subject to documents filed with
the Interstate Commerce Commission.

COMMODITY SERVICE: Wood Logs
CLASS OF CAR: Bulkhead flat car with side stakes; Class F
NO. OF CARS: Nineteen (19)
TRUCK CAPACITY: 100-Ton
RENTAL TERM: As specified in Paragraph 5 of Lease

DELIVERY POINT: Chicago Heights, Illinois
DELIVERY PERIOD: As specified in Paragraph 6 of Lease
FIXED RENTAL:

OPTION TO RENEW: At expiration of initial rental term at the end of
ONE HUNDRED EIGHTY (180) full months of rental, LESSEE
shall have two (2) successive options to renew this
AGREEMENT, each of said options to renew to be for a
sixty (60) month period. The first renewal option,
if exercised, will be at a rent per car per month not
to exceed Four Hundred Ninety-Three Dollars
(\$493.00)

The second renewal option, if exercised, will be at a
rent per car per month not to exceed the rental agreed
upon for the first renewal. In any event the rent for
the second renewal will not exceed Four Hundred
Ninety-Three Dollars (\$493.00)

Notice of the exercise of this option shall be given in
writing by LESSEE to LESSOR at least ONE HUNDRED TWENTY
(120) days prior to the expiration of the then existing
term. Failure of LESSEE to exercise any successive option
shall terminate all options then remaining. Any termination
of this AGREEMENT because of the happening of an event of
default during the initial term or during any extended
term shall terminate all rights of extension hereunder.

OPTION TO PURCHASE: As specified in Paragraph 18 of Lease.

CERTIFICATE OF
INSPECTION AND
ACCEPTANCE: Exhibit "I": attached hereto and made a part hereof.

CERTIFICATE OF INSPECTION AND ACCEPTANCE

TO: **THRALL CAR MANUFACTURING COMPANY**
P. O. Box 218
Chicago Heights, Illinois 60411

Gentlemen:

The undersigned duly appointed inspector and representative of
ST. REGIS PAPER COMPANY (LESSEE)
hereby certifies that he has made a thorough examination of the following Railroad Cars
bearing numbers as follows:

<u>QUANTITY</u>	<u>DESCRIPTION</u>	<u>CAR NUMBERS</u>
Nineteen (19)	100-Ton Bulkhead Flat Cars with side stakes	TCAX 50014 thru TCAX 50032, both inclusive

and hereby accepts them for Lessee under and pursuant to that certain
EXHIBIT A for Lease dated July 28, 1981 between TRANSPORTATION
CORPORATION OF AMERICA and LESSEE: that each of said Cars is plainly marked and
stenciled on both sides of each Car with the words:

**Title to this car subject to documents filed with
the Interstate Commerce Commission.**

in readily visible letters, not less than 1" in height; and that each of said Cars fully
complies with the requirements, standards and specifications referred to in said Lease.

Inspector for
ST. REGIS PAPER COMPANY
LESSEE

this _____ day of _____, 19____.

EXHIBIT "I"